

As a fellow Montanan, I am pleased to be here in support of Senate Resolution #7, the "Oro y Plata" Resolution, showcasing the Treasure State's historic mining heritage, and encouraging the US government to return our great country's monetary policy to a US dollar backed by gold and silver. I feel very strongly that it would be advantageous for our country and Montana. Businesses, people and State government would all prosper with the return to a sound value-based monetary system like we had before the Federal Reserve gained control over our money.

Please let me take just a few minutes to clarify some of the terms in the Resolution and then answer any questions you may have.

**What is Fiat Currency:** Fiat is Latin for decree. A fiat currency is any currency that is not backed by value as gold and silver are... but is created by decree from the issuing government. Fiat currency is a currency that is created out of thin air.

**Why precious metals?** Gold and silver are precious because they have "intrinsic" value. In other words they have value in and of themselves. Gold and silver will always have value, meaning they are the exactly opposite from fiat currency.

**Downside to Federal Reserve?** The Federal Reserve manipulates the economy, by setting monetary policy, interest rates, and is the direct opposite a free market. And as the national economy does not move as a homogeneous unit, the Federal Reserve action is often counter productive for some and advantageous to others.

**Difficulties with inflation?** Inflation diminishes the purchasing power of the people and the State and makes it harder to budget. Regardless of the size or accuracy of the inflation figure, any inflation is disruptive to local, state, and national economies. Inflation breeds mistrust of the economic system.

**Inflation analogy:**

I can remember when I could buy four gallons of gas for a buck! At that time our dollar was backed by silver. Guess what? That same amount of silver still buys four gallons of gas today! That just shows that Montana gold and silver holds its value and that our US dollar is worth a lot less. In fact everything has NOT become more expensive. It only seems that way because the US dollar has lost 98% of its value, taking more and more "dollars" to buy the same goods and services.

History records that from 1787 to 1913, when the Federal Reserve was created by Congress, there was no inflation. Our great country prospered for 186 years with no inflation. Inflation seems low only because energy and food has been removed from the CPI. Everyone suffers from inflation.

**Advantages to Montana with an inflation-proof currency?** An economy that is not plagued by inflation is an economy that enables people to properly apply their natural money managing skills without fear the money is going to be worth less tomorrow. A value based currency is naturally "inflation proof" because it cannot be created out of thin air. The major advantages enjoyed by the Montana government, businesses and consumers alike are:

Without the loss of purchasing power, government, business and the people can plan their money and live better, more prosperous lives, bringing about an increase in business and financial security. Stable prices induce savings and more prosperity for the state and the people of Montana with inflation proof currency using Montana's gold and silver. Because our Founding Fathers had suffered the ills of inflation during the Revolutionary War, gold and silver were mandated as money by the US Constitution. They wanted the best money for themselves and their new country. Montanans should have nothing less today.

Thank you for this opportunity to support This Oro y Plata Resolution.